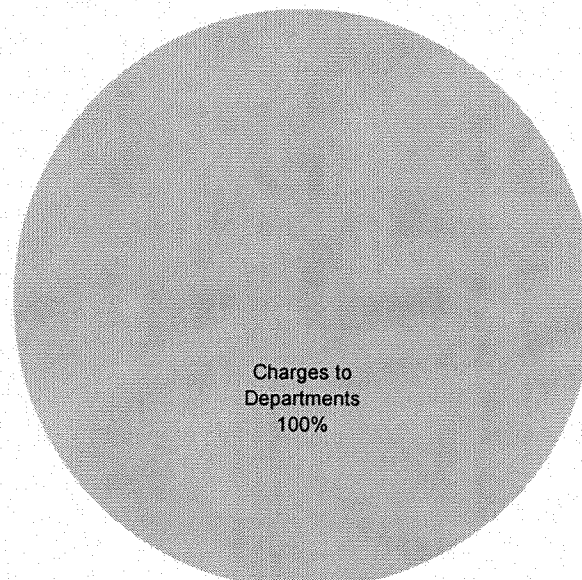


PURPOSE

To provide for the refinancing of existing unfunded pension obligations of the Pension Trust resulting in annual savings.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change from 2005-06</u>
Revenues	\$ 7,001,295	\$ 7,550,000	\$ 5,550,000	\$ 5,550,000	\$ (1,451,295)
Fund Balance Available	\$ 78,641	\$ 78,641	\$ 0	\$ 0	\$ (78,641)
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	<u>\$ 7,079,936</u>	<u>\$ 7,628,641</u>	<u>\$ 5,550,000</u>	<u>\$ 5,550,000</u>	<u>\$ (1,529,936)</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	30,000	30,000	30,000	30,000	0
Other Charges	6,971,295	6,971,072	5,146,185	5,146,185	(1,825,110)
Fixed Assets	0	0	0	0	0
Gross Expenditures	<u>\$ 7,001,295</u>	<u>\$ 7,001,072</u>	<u>\$ 5,176,185</u>	<u>\$ 5,176,185</u>	<u>\$ (1,825,110)</u>
Contingencies	0	0	0	0	0
New Reserves	<u>78,641</u>	<u>627,569</u>	<u>373,815</u>	<u>373,815</u>	<u>295,174</u>
Total Financing Requirements	<u>\$ 7,079,936</u>	<u>\$ 7,628,641</u>	<u>\$ 5,550,000</u>	<u>\$ 5,550,000</u>	<u>\$ (1,529,936)</u>

Source of Funds

County Administrator's Comments and Recommendations

This budget unit reflects the debt service payment for Pension Obligation Bonds (POBs). The Board of Supervisors approved the use of \$137 million of POBs in fiscal year 2002-03. The bonds are amortized over a 30-year period, reducing the prior amortization period by seven years and creating an annual savings of over \$1 million. The bonds are repaid by charging each department 3.5% of covered payroll.

Additionally, the Board approved using \$2 million of fiscal year 2004-05 fund balance to pay down the debt and keep the rates stable.

The recommended budget includes a budget of \$5.1 million of debt service payments and corresponding revenue that comes from charges to departments.